

Department of Consumer and Industry Services
MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
735 East Michigan Avenue, Lansing, Michigan 48912

HOMEBUYER ASSISTANCE PROGRAM

MORTGAGE NOTE

FOR VALUE RECEIVED, _____, (herein called the "Mortgagor"), initiated under Grant # _____, promises to pay the Michigan State Housing Development Authority, whose address is 735 East Michigan Avenue, Lansing, Michigan 48912, a public body corporate and politic of the State of Michigan (herein called the "Authority"), or order, the principal sum of _____ and No/100 (\$_____.00) Dollars, bearing no interest.

Within the first five (5) years from the date of this Note, upon the sale, or resale, of the property encumbered by a certain mortgage securing the repayment of this Note, the Mortgagor shall pay to the Authority an amount equal to the net proceeds of the sale, and such payment shall be in full satisfaction of this Note. The net proceeds of a sale, or resale, shall mean the sales price of the property minus normal closing costs and any repayment(s) of a senior loan or loans. In no event will the Mortgagor's liability under this Note exceed the original principal amount. If the property is sold more than five (5) years after the date of this Note, the Mortgagor shall pay to the Authority an amount equal to the lesser of (a) the original principal balance of this Note, minus any prepayments, minus \$5,000 OR (b) the net proceeds of the sale.

The undersigned shall have the right to prepay the principal amount outstanding in whole or in part. Any partial prepayment shall be applied against the principal amount outstanding and shall not extend or postpone the due date of any subsequent payments unless the holder hereof shall otherwise agree in writing.

Principal alone shall be payable at the Finance Division, Michigan State Housing Development Authority, 735 East Michigan Avenue, Lansing, Michigan, or such other place as an Authorized Officer of the Authority or holder of this Note may designate in writing.

In the event of default in the payment of this Mortgage Note, and if the same is collected by an attorney at law, the undersigned hereby agree(s) to pay all cost of collection, including a reasonable attorney's fee.

All parties to this Mortgage Note, whether principal, surety, guarantor or endorser, hereby waive presentment for payment, demand, protest, notice of protest and notice of dishonor and consent to any number of renewals or extensions of the time of payment thereof. Any such renewals or extensions may be made without notice to any of said parties and without affecting their liability.

This Note shall be the joint and several obligation of all makers, sureties, guarantors and endorsers, and shall be binding upon them and their heirs, personal representatives, successors, and assigns.

Any notice to Mortgagor provided for in this Note shall be given by mailing such notice by regular or certified mail addressed to Mortgagor at the Property Address stated below, or to such other address as Mortgagor may designate by notice to the Note holder. Any notice to the Note holder shall be given by mailing such notice by certified mail, return receipt requested, to the Note holder at the address stated in the first paragraph of this Note, or at such other address as may have been designated by notice to Mortgagor.

This is the Mortgage Note described in and secured by a Note of even date in the same principal amount as herein stated.

Dated this _____ day of _____, 200____.

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Street Address of property securing this Note

City State Zip

MSHDA
HOME021